



January 16, 2004

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## SENATE BILL No. 24

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DIGEST OF SB 24 (Updated January 13, 2004 9:18 am - DI nm)

**Citations Affected:** IC 27-8; IC 27-13.

**Synopsis:** Insurance credentialing form. Requires the department of insurance to prescribe a credentialing application form. Requires an insurer or a health maintenance organization to provide notice to a health care provider concerning the provider's credentialing application.

**Effective:** July 1, 2004.

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**Gard**

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November 18, 2003, read first time and referred to Committee on Rules and Legislative Procedure.  
January 15, 2004, amended; reassigned to Committee on Health and Provider Services.

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SB 24—LS 6037/DI 13+



January 16, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## SENATE BILL No. 24

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 27-8-11-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. ~~As used in (a) The~~  
3 ~~definitions in this section apply throughout~~ this chapter.

4 (b) "Credentialing" means a process through which an insurer  
5 makes a determination:

6 (1) based on criteria established by the insurer; and

7 (2) concerning whether a provider is eligible to:

8 (A) provide health care services to an insured; and

9 (B) receive reimbursement for the health care services;

10 under an agreement entered into between the provider and  
11 the insurer under section 3 of this chapter.

12 (c) "Health care services":

13 (1) means health care related services or products rendered or  
14 sold by a provider within the scope of the provider's license or  
15 legal authorization; and

16 (2) includes hospital, medical, surgical, dental, vision, and  
17 pharmaceutical services or products.

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(d) "Insured" means an individual entitled to reimbursement for expenses of health care services under a policy issued or administered by an insurer.

(e) "Insurer" means an insurance company authorized in this state to issue policies that provide reimbursement for expenses of health care services.

(f) "Person" means an individual, an agency, a political subdivision, a partnership, a corporation, an association, or any other entity.

(g) "Preferred provider plan" means an undertaking to enter into agreements with providers relating to terms and conditions of reimbursements for the health care services of insureds, members, or enrollees relating to the amounts to be charged to insureds, members, or enrollees for health care services.

(h) "Provider" means an individual or entity duly licensed or legally authorized to provide health care services.

SECTION 2. IC 27-8-11-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 7. (a) This section applies to an insurer that issues or administers a policy that provides coverage for basic health care services (as defined in IC 27-13-1-4).**

**(b) The department of insurance shall prescribe a credentialing application form for use by:**

**(1) a provider who applies for credentialing by an insurer; and**

**(2) an insurer in performing credentialing activities.**

**(c) An insurer shall notify a provider concerning a deficiency on a credentialing application form submitted by the provider not later than seven (7) business days after the insurer receives the credentialing application form.**

**(d) An insurer shall notify a provider concerning the status of the provider's application for credentialing not later than:**

**(1) forty-five (45) days after the insurer receives the credentialing application form; and**

**(2) every thirty (30) days after the notice is provided under subdivision (1), until the insurer makes a final credentialing determination concerning the provider.**

SECTION 3. IC 27-13-1-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 10.5. "Credentialing" means a process through which a health maintenance organization makes a determination:**

**(1) based on criteria established by the health maintenance**

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organization; and

(2) concerning whether a provider may serve as a participating provider.

SECTION 4. IC 27-13-43 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

**Chapter 43. Credentialing**

**Sec. 1.** This chapter applies to a health maintenance organization that provides basic health care services.

**Sec. 2. (a)** The department shall prescribe a credentialing application form for use by:

(1) a provider who applies for credentialing by a health maintenance organization; and

(2) a health maintenance organization in performing credentialing activities.

(b) A health maintenance organization shall notify a provider concerning a deficiency on a credentialing application form submitted by the provider not later than seven (7) business days after the health maintenance organization receives the credentialing application form.

(c) A health maintenance organization shall notify a provider concerning the status of the provider's application for credentialing not later than:

(1) forty-five (45) days after the health maintenance organization receives the credentialing application form; and

(2) every thirty (30) days after the notice is provided under subdivision (1), until the health maintenance organization makes a final credentialing determination concerning the provider.

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SENATE MOTION

Madam President: I move that Senator Garton be removed as author of Senate Bill 24 and that Senator Gard be substituted therefor.

GARTON

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## COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 24, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Health and Provider Services.

(Reference is to SB 24 as introduced.)

GARTON, Chairperson

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